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*Attorneys for Defendants Syntronic AB, Syntronic Research and
Development USA Inc., and Syntronic (Beijing) Technology R&D
Center Co., LTD.*

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

CADENCE DESIGN SYSTEMS, INC., *a
Delaware Corporation,*

Plaintiff,

v.

SYNTRONIC AB, *a Publikt Aktiebolag,*
SYNTRONIC RESEARCH AND
DEVELOPMENT USA INC., *a California
Corporation,* SYNTRONIC (BEIJING)
TECHNOLOGY R&D CENTER CO., LTD., *a
Chinese Corporation,*

Defendants.

Case No. 5:21-cv-3610-SI

**DECLARATION OF BJÖRN ÖSTLUND
ON BEHALF OF SYNTRONIC
RESEARCH AND DEVELOPMENT USA
INC. IN SUPPORT OF DEFENDANTS'
MOTION TO DISMISS**

Judge: Hon. Susan Illston
Hearing Date: August 13, 2021
Hearing Time: 10:00 a.m.
San Francisco Courthouse, Courtroom 1, 17th
Floor

1 I, Björn Östlund, declare as follows:

2 1. I am the President and Chief Executive Officer of Syntronic Research and
3 Development USA Inc. ("Syntronic USA"), and I have been in that position since approximately
4 September 2018. I submit this declaration in support of Defendants' motion to dismiss. I have
5 personal knowledge of the facts set forth herein and if called as a witness, I could and would
6 competently testify thereto.

7 2. Syntronic USA is a California corporation, organized under the General Corporation
8 Law of California, and formed on approximately September 28, 2018. Attached hereto as **Exhibit 1**
9 is a true and correct copy of Syntronic USA's Articles of Incorporation.

10 3. Syntronic USA maintains its principal place of business at 5201 Great America
11 Parkway, Suite 320, Santa Clara, CA 95054. Neither Syntronic AB nor Syntronic (Beijing)
12 Technology R&D Center Co., LTD ("Syntronic Beijing") use this office for any aspect of their
13 operations. There are no other offices that Syntronic USA shares with either Syntronic AB or
14 Syntronic Beijing.

15 4. Syntronic USA's general business is providing certain software and electronic design
16 services within the United States. Syntronic USA operates separately and independently from
17 Syntronic AB and Syntronic Beijing.

18 5. Syntronic AB is the parent company of Syntronic USA. Syntronic Beijing has no
19 ownership interest in Syntronic USA, and Syntronic USA has no ownership interest in either
20 Syntronic AB or Syntronic Beijing.

21 6. Syntronic USA's board has two directors, myself and Björn Jansson, who is a
22 representative of the parent company, Syntronic AB. I am the only officer of Syntronic USA,
23 appointed by the board of directors, and I am not employed in any way by either Syntronic AB or
24 Syntronic Beijing.

25 7. Syntronic USA employs approximately ten persons in addition to myself. Syntronic
26 USA maintains its own payroll and pays its employees out of its own accounts. Syntronic USA
27 alone is responsible for paying its employees. Neither Syntronic AB nor Syntronic Beijing pays the
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1 salaries of any Syntronic USA employee. Moreover, not one of Syntronic USA's employees is also
2 an employee of either Syntronic AB or Syntronic Beijing.

3 8. Syntronic USA maintains its own independent bank account within the United States.
4 Syntronic USA is the only entity or person with authority to withdraw funds from its bank account.
5 No person at either Syntronic AB or Syntronic Beijing has direct signatory authority to withdraw
6 funds from Syntronic USA's bank account.

7 9. Syntronic USA does not comingle any of its funds with any other entity, including
8 Syntronic AB or Syntronic Beijing. In fact, there is not even a single account to which Syntronic
9 USA has access and to which either Syntronic AB or Syntronic Beijing also has access.

10 10. Syntronic USA maintains and respects corporate formalities. It adopted and follows
11 Bylaws. It holds regular meetings of its board of directors, typically twice a year, and maintains a
12 regular corporate minutes book containing the written minutes of its proceedings. These books and
13 records are kept and maintained separate and apart from the books and records of Syntronic AB and
14 Syntronic Beijing.

15 11. Even though Syntronic AB is the parent company, it has no involvement in the day-
16 to-day operations of Syntronic USA. As the chief executive, I am ultimately responsible for all
17 decision-making on daily operations. I am responsible for all hiring and firing decisions and, subject
18 to board approval, there is no limit to my signatory authority to sign contracts on behalf of Syntronic
19 USA. Similarly, Syntronic USA's employees ultimately report to me and do not directly report to
20 anyone at either Syntronic AB or Syntronic Beijing.

21 12. Since its incorporation and at all subsequent times in conducting its operations,
22 Syntronic USA has maintained and continues to maintain adequate capital to meet its obligations in
23 the ordinary course of its business. Moreover, the value of Syntronic USA's assets exceed its
24 current liabilities.

25 13. Syntronic USA has its financial information regularly audited by an independent
26 accounting firm. I independently make all decisions regarding retention of such auditing firm. I
27 independently make decisions for all professional services, legal, financial, or otherwise, for
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1 Syntronic USA. In fact, for company-level auditing and accounting, Syntronic USA uses a separate
2 accounting and auditing firm from the firms used by Syntronic AB or Syntronic Beijing.

3 14. Neither Syntronic AB nor Syntronic Beijing holds itself out as responsible for the
4 debts or obligations of Syntronic USA. Likewise, Syntronic USA does not hold itself out as
5 responsible for the debts or obligations of Syntronic AB or Syntronic Beijing.

6 15. All contracts binding or obligating Syntronic USA are signed on behalf of Syntronic
7 USA only, and neither Syntronic AB nor Syntronic Beijing signs or guarantees any such contracts.

8 16. Syntronic AB has provided only one loan Syntronic USA to assist with cash-flow
9 during the pandemic. That loan was fully documented in a written and executed loan agreement and
10 recorded on Syntronic USA's books.

11 17. There are no indemnity or guarantee agreements between Syntronic USA and either
12 Syntronic AB or Syntronic Beijing.

13 18. After conducting a diligent search and investigation, Syntronic USA was unable to
14 locate evidence that it entered into, "clicked," or signed the click-wrap Software License and
15 Maintenance Agreements (SLMA), attached as Exhibits 1 and 2 to the Second Amended Complaint.

16 19. Syntronic USA is unable to locate evidence that any employee with authorization and
17 authority to bind the company entered into or signed the click-wrap SLMAs, attached as Exhibits 1
18 and 2 to the Second Amended Complaint.

19 20. Syntronic USA adheres to a IT/Information Security Policy that expressly prohibits
20 its employees from using unlicensed software or using cracked licenses. To obtain access to
21 software, employees must first seek approval. No Syntronic USA employee has sought and received
22 approval to license and/or use any Cadence software at issue in the Second Amended Complaint.

23 21. In fact, there are no employees at Syntronic USA that even use Cadence software as
24 part of their employment.

25 22. Neither Syntronic AB nor Syntronic Beijing has designated or authorized Syntronic
26 USA as an agent for service within the United States. Syntronic USA does not serve as an agent in
27 any capacity for either entity.

1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct.

3 Dated: July 8, 2021



4 Björn Östlund

EXHIBIT 1

FILED
Secretary of State
State of California
SEP 28 2018
1pc

ARTICLES OF INCORPORATION
OF

SYNTRONIC RESEARCH AND DEVELOPMENT USA INC.

ARTICLE I

The name of the Corporation is Syntronic Research and Development USA Inc.

ARTICLE II

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

The name of the Corporation's initial agent for service of process in the State of California, in accordance with subdivision (b) of Section 1502 of the General Corporation Law, is: CT Corporation System.

ARTICLE IV

The street address of the Corporation is: Utmarksvägen 33C, 802 91 Gävle, Sweden.

The mailing address of the Corporation is: Box 965, 801 33 Gävle, Sweden.

ARTICLE V

The Corporation is authorized to issue only one class of shares, which shall be designated "*Common Stock*", and the total number of shares of Common Stock that the Corporation is authorized to issue is six thousand (6,000).

ARTICLE VI

Section 1. The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

Section 2. The Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with the agents, vote of shareholders or disinterested directors, or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the Corporation or its shareholders. The Corporation is further authorized to provide insurance for agents as set forth in Section 317 of the California

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Corporations Code, provided that, in cases where the Corporation owns all or a portion of the shares of the company issuing the insurance policy, the company and/or the policy must meet one of the two sets of conditions set forth in Section 317, as amended.

Section 3. Any repeal or modification of the foregoing provisions of this Article VI by the shareholders of this Corporation shall not adversely affect any right or protection of an agent of this Corporation existing at the time of such repeal or modification.

IN WITNESS WHEREOF, the undersigned Incorporator has executed the foregoing Articles of Incorporation on September 28, 2018.

A handwritten signature in cursive script, appearing to read "Hila Cohen", is written over a horizontal line.

Hila Cohen, Incorporator



CALIFORNIA
SECRETARY OF STATE



Business
Programs Division

Business Entities, 1500 11th St., 3rd Floor,
Sacramento, CA 95814

Thank You for Doing Business in California

Congratulations on the registration of your corporation with the California Secretary of State (SOS). Please see below for important information.

What's next? Required Filings

SOS Statement of Information

- California stock, California agricultural cooperative and registered foreign (formed outside of California) corporations must fill out and file a complete Statement of Information (Form SI-550) within the first 90 days of registering with the SOS, and every year thereafter before the end of the calendar month of the original registration date.
- California nonprofit, credit union and general cooperative corporations must fill out and file a complete Statement of Information (Form SI-100) within the first 90 days of registering with the SOS, and every 2 years thereafter before the end of the calendar month of the original registration date. In addition, any nonprofit corporation formed to manage a common interest development under the Davis-Stirling Common Interest Development Act or the Commercial and Industrial Common Interest Development Act also must fill out and file a Statement by Common Interest Development Association (Form SI-CID) with their Statement of Information.

How can you file your Statement of Information?

- **For fastest service**, the required Statement of Information for most corporations can be submitted using our online filing service at <https://businessfilings.sos.ca.gov/>. Payment must be made by credit card (Visa® or MasterCard®) when filing online. A free PDF copy of the filed Statement of Information will be returned electronically following confirmation of payment, if a valid email address is provided at the time of submission.
- Statements of Information also can be submitted on paper to the SOS through the mail, or submitted in person (drop off) to the Sacramento office. Additional information regarding Statements of Information, including forms, instructions and fees is available at www.sos.ca.gov/business/be/statements.
- Current processing times for Statements of Information may be found at www.sos.ca.gov/business/be/processing-times.

Franchise Tax Board (FTB) Tax Filing – Once your corporation is registered with the SOS, you are required to file a tax return with FTB for each taxable year even if you are not conducting business or have no income. Contact FTB at www.ftb.ca.gov or (800) 852-5711 for forms and requirements concerning franchise taxes or income taxes.

Be aware, if you fail to file a return by the original or extended due date, or fail to pay taxes when due, a penalty may be imposed by FTB. Please visit www.ftb.ca.gov/businesses/Penalty-Information.shtml for tax penalty related information.

Reverse Side

Please see reverse side of this document for important information regarding your newly registered corporation.

Stock Corporations

Filing Articles of Incorporation pursuant to California Corporations Code section 200 does not of itself authorize the use of a corporate name in California in violation of the rights of another who may have acquired rights to the use of the name by reason of the following laws:

- Federal Trademark Act
(United States Code, Title 15, section 1051 et seq.)
- California Model State Trademark Law
(Business and Professions Code section 14200 et seq.)
- California Fictitious Business Name Law
(Business and Professions Code section 17900 et seq.)
- Common law rights, including rights to a trade name

If you have any questions regarding such rights, please consult a private attorney.

Nonprofit Corporations

Nonprofit corporations in California are not automatically exempt from paying California franchise tax or income tax every year. For information about tax requirements and/or applying for tax exempt status, please contact the appropriate taxing agency, listed below. If you are a domestic nonprofit public benefit corporation our office has forwarded a copy of your Articles of Incorporation to the Office of the Attorney General in compliance with California Corporations Code section 5120(d).

Other Business Information and Resources

All business entities are subject to state and federal tax laws. You may wish to contact the following agencies to assist you with these issues:

- Internal Revenue Service – www.irs.gov or call (800) 829-1040 for forms and issues concerning Federal tax, employer identification numbers, subchapter S elections.
- State Board of Equalization – www.boe.ca.gov or call (800) 400-7115 for forms and issues concerning sales taxes or use taxes.
- Employment Development Department – www.edd.ca.gov or call (800) 300-5616 for forms and issues concerning employment and payroll taxes.
- CalGold – www.calgold.ca.gov for appropriate permit, licensing, and contact information for the various agencies that administer and issue these permits.
- SOS Business Resources – www.sos.ca.gov/business/be/resources for a list of agencies you may need to contact to ensure proper compliance with California state law.
- CA Governor's Office of Business and Economic Development (Go-Biz) – www.business.ca.gov for a range of business services including, site selection and permit assistance.
- The California Business Incentives Gateway (CBIG) – <https://cbig.ca.gov> is a web portal that connects business owners and entrepreneurs with financial incentives.